

Dear BFA Investor:

I am writing this as my final letter to you in my capacity as Arizona's Attorney General. As you know, this Office has worked diligently over the past four years to recover as much as possible for everyone who lost money in the financial collapse of the Baptist Foundation of Arizona (BFA). You will soon begin to receive payments from a \$238 million civil settlement with BFA's accountant and lawyers, and will continue to receive money as the Foundation's assets are sold over the next several years. I am grateful to have been in a position to help make this settlement happen and to have brought criminal charges against those responsible for your losses.

I also wish to update you on a few issues involving the criminal case against former board members and other employees of BFA.

At the most recent hearing, Maricopa County Superior Court Judge Frank Galati ordered State prosecutors to provide defense attorneys with copies of grand jury exhibits and evidence by December 2, 2002. The State has complied with this order. Here is how the rest of the process will work:

The defense will have until February 2, 2003, to ask the court to dismiss the criminal charges and send the case back to the grand jury.

If the defense elects this option, Arizona Attorney General's Office prosecutors will have 30 days after that date to respond.

If the State files a response, the defendants will be allowed 14 days to reply.

The court will schedule any hearings or arguments on any remand motions.

Following these hearings (if they occur), there will be a series of other hearings regarding non-evidentiary issues or substantive motions.

During this process, prosecution will be overseen by incoming Attorney General Terry Goddard. I have no doubt that Terry will also be passionate about resolving the BFA case. In the meantime, the Attorney General's Office of Victim Services (OVS) will continue to keep you abreast of any changes or hearings in this matter. Should you need additional information about this case, please call our BFA Help Line at (602) 364-1275 or outside Maricopa County at 1-866-823-6577. Our OVS advocates can also be reached via email at bfa@ag.state.az.us.

My warmest regards for the new year.

Yours Very Truly,

A handwritten signature in black ink, reading "Janet Napolitano". The signature is written in a cursive, flowing style.

Janet Napolitano
Attorney General